



## 94TH GENERAL ASSEMBLY

### State of Illinois

2005 and 2006

HB4713

Introduced 1/12/2006, by Rep. Linda Chapa LaVia

#### SYNOPSIS AS INTRODUCED:

320 ILCS 25/4

from Ch. 67 1/2, par. 404

Amends the Senior Citizens and Disabled Persons Property Tax Relief and Pharmaceutical Assistance Act. Creates a program of hearing aid assistance to the aged and disabled. Provides that, to offset the cost of the hearing aids, a person entitled to claim a grant under certain provisions of the Act is entitled to receive a payment of up to \$100 each calendar year in which he or she purchases a hearing aid for his or her personal use. Creates a program of dental services assistance to the aged and disabled. Provides that to offset the cost of the dental services, a person entitled to claim a grant under certain provisions of the Act is entitled to receive a payment of up to \$500 each calendar year in which he or she purchases dental services for his or her personal use.

LRB094 15973 BDD 51507 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning aging.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Senior Citizens and Disabled Persons  
5 Property Tax Relief and Pharmaceutical Assistance Act is  
6 amended by changing Section 4 as follows:

7 (320 ILCS 25/4) (from Ch. 67 1/2, par. 404)

8 Sec. 4. Amount of Grant.

9 (a) In general. Any individual 65 years or older or any  
10 individual who will become 65 years old during the calendar  
11 year in which a claim is filed, and any surviving spouse of  
12 such a claimant, who at the time of death received or was  
13 entitled to receive a grant pursuant to this Section, which  
14 surviving spouse will become 65 years of age within the 24  
15 months immediately following the death of such claimant and  
16 which surviving spouse but for his or her age is otherwise  
17 qualified to receive a grant pursuant to this Section, and any  
18 disabled person whose annual household income is less than  
19 \$14,000 for grant years before the 1998 grant year, less than  
20 \$16,000 for the 1998 and 1999 grant years, and less than (i)  
21 \$21,218 for a household containing one person, (ii) \$28,480 for  
22 a household containing 2 persons, or (iii) \$35,740 for a  
23 household containing 3 or more persons for the 2000 grant year  
24 and thereafter and whose household is liable for payment of  
25 property taxes accrued or has paid rent constituting property  
26 taxes accrued and is domiciled in this State at the time he or  
27 she files his or her claim is entitled to claim a grant under  
28 this Act. With respect to claims filed by individuals who will  
29 become 65 years old during the calendar year in which a claim  
30 is filed, the amount of any grant to which that household is  
31 entitled shall be an amount equal to 1/12 of the amount to  
32 which the claimant would otherwise be entitled as provided in

1 this Section, multiplied by the number of months in which the  
2 claimant was 65 in the calendar year in which the claim is  
3 filed.

4 (b) Limitation. Except as otherwise provided in  
5 subsections (a) and (f) of this Section, the maximum amount of  
6 grant which a claimant is entitled to claim is the amount by  
7 which the property taxes accrued which were paid or payable  
8 during the last preceding tax year or rent constituting  
9 property taxes accrued upon the claimant's residence for the  
10 last preceding taxable year exceeds 3 1/2% of the claimant's  
11 household income for that year but in no event is the grant to  
12 exceed (i) \$700 less 4.5% of household income for that year for  
13 those with a household income of \$14,000 or less or (ii) \$70 if  
14 household income for that year is more than \$14,000.

15 (c) Public aid recipients. If household income in one or  
16 more months during a year includes cash assistance in excess of  
17 \$55 per month from the Department of Healthcare and Family  
18 Services ~~Public Aid~~ or the Department of Human Services (acting  
19 as successor to the Department of Public Aid under the  
20 Department of Human Services Act) which was determined under  
21 regulations of that Department on a measure of need that  
22 included an allowance for actual rent or property taxes paid by  
23 the recipient of that assistance, the amount of grant to which  
24 that household is entitled, except as otherwise provided in  
25 subsection (a), shall be the product of (1) the maximum amount  
26 computed as specified in subsection (b) of this Section and (2)  
27 the ratio of the number of months in which household income did  
28 not include such cash assistance over \$55 to the number twelve.  
29 If household income did not include such cash assistance over  
30 \$55 for any months during the year, the amount of the grant to  
31 which the household is entitled shall be the maximum amount  
32 computed as specified in subsection (b) of this Section. For  
33 purposes of this paragraph (c), "cash assistance" does not  
34 include any amount received under the federal Supplemental  
35 Security Income (SSI) program.

36 (d) Joint ownership. If title to the residence is held

1 jointly by the claimant with a person who is not a member of  
2 his or her household, the amount of property taxes accrued used  
3 in computing the amount of grant to which he or she is entitled  
4 shall be the same percentage of property taxes accrued as is  
5 the percentage of ownership held by the claimant in the  
6 residence.

7 (e) More than one residence. If a claimant has occupied  
8 more than one residence in the taxable year, he or she may  
9 claim only one residence for any part of a month. In the case  
10 of property taxes accrued, he or she shall prorate 1/12 of the  
11 total property taxes accrued on his or her residence to each  
12 month that he or she owned and occupied that residence; and, in  
13 the case of rent constituting property taxes accrued, shall  
14 prorate each month's rent payments to the residence actually  
15 occupied during that month.

16 (f) There is hereby established a program of pharmaceutical  
17 assistance to the aged and disabled which shall be administered  
18 by the Department in accordance with this Act, to consist of  
19 payments to authorized pharmacies, on behalf of beneficiaries  
20 of the program, for the reasonable costs of covered  
21 prescription drugs. Each beneficiary who pays \$5 for an  
22 identification card shall pay no additional prescription  
23 costs. Each beneficiary who pays \$25 for an identification card  
24 shall pay \$3 per prescription. In addition, after a beneficiary  
25 receives \$2,000 in benefits during a State fiscal year, that  
26 beneficiary shall also be charged 20% of the cost of each  
27 prescription for which payments are made by the program during  
28 the remainder of the fiscal year. To become a beneficiary under  
29 this program a person must: (1) be (i) 65 years of age or  
30 older, or (ii) the surviving spouse of such a claimant, who at  
31 the time of death received or was entitled to receive benefits  
32 pursuant to this subsection, which surviving spouse will become  
33 65 years of age within the 24 months immediately following the  
34 death of such claimant and which surviving spouse but for his  
35 or her age is otherwise qualified to receive benefits pursuant  
36 to this subsection, or (iii) disabled, and (2) be domiciled in

1 this State at the time he or she files his or her claim, and (3)  
2 have a maximum household income of less than \$14,000 for grant  
3 years before the 1998 grant year, less than \$16,000 for the  
4 1998 and 1999 grant years, and less than (i) \$21,218 for a  
5 household containing one person, (ii) \$28,480 for a household  
6 containing 2 persons, or (iii) \$35,740 for a household  
7 containing 3 more persons for the 2000 grant year and  
8 thereafter. In addition, each eligible person must (1) obtain  
9 an identification card from the Department, (2) at the time the  
10 card is obtained, sign a statement assigning to the State of  
11 Illinois benefits which may be otherwise claimed under any  
12 private insurance plans, and (3) present the identification  
13 card to the dispensing pharmacist.

14 The Department may adopt rules specifying participation  
15 requirements for the pharmaceutical assistance program,  
16 including copayment amounts, identification card fees,  
17 expenditure limits, and the benefit threshold after which a 20%  
18 charge is imposed on the cost of each prescription, to be in  
19 effect on and after July 1, 2004. Notwithstanding any other  
20 provision of this paragraph, however, the Department may not  
21 increase the identification card fee above the amount in effect  
22 on May 1, 2003 without the express consent of the General  
23 Assembly. To the extent practicable, those requirements shall  
24 be commensurate with the requirements provided in rules adopted  
25 by the Department of Healthcare and Family Services ~~Public Aid~~  
26 to implement the pharmacy assistance program under Section  
27 5-5.12a of the Illinois Public Aid Code.

28 Whenever a generic equivalent for a covered prescription  
29 drug is available, the Department shall reimburse only for the  
30 reasonable costs of the generic equivalent, less the co-pay  
31 established in this Section, unless (i) the covered  
32 prescription drug contains one or more ingredients defined as a  
33 narrow therapeutic index drug at 21 CFR 320.33, (ii) the  
34 prescriber indicates on the face of the prescription "brand  
35 medically necessary", and (iii) the prescriber specifies that a  
36 substitution is not permitted. When issuing an oral

1 prescription for covered prescription medication described in  
2 item (i) of this paragraph, the prescriber shall stipulate  
3 "brand medically necessary" and that a substitution is not  
4 permitted. If the covered prescription drug and its authorizing  
5 prescription do not meet the criteria listed above, the  
6 beneficiary may purchase the non-generic equivalent of the  
7 covered prescription drug by paying the difference between the  
8 generic cost and the non-generic cost plus the beneficiary  
9 co-pay.

10 Any person otherwise eligible for pharmaceutical  
11 assistance under this Act whose covered drugs are covered by  
12 any public program for assistance in purchasing any covered  
13 prescription drugs shall be ineligible for assistance under  
14 this Act to the extent such costs are covered by such other  
15 plan.

16 The fee to be charged by the Department for the  
17 identification card shall be equal to \$5 per coverage year for  
18 persons below the official poverty line as defined by the  
19 United States Department of Health and Human Services and \$25  
20 per coverage year for all other persons.

21 In the event that 2 or more persons are eligible for any  
22 benefit under this Act, and are members of the same household,  
23 (1) each such person shall be entitled to participate in the  
24 pharmaceutical assistance program, provided that he or she  
25 meets all other requirements imposed by this subsection and (2)  
26 each participating household member contributes the fee  
27 required for that person by the preceding paragraph for the  
28 purpose of obtaining an identification card.

29 The provisions of this subsection (f), other than this  
30 paragraph, are inoperative after December 31, 2005.  
31 Beneficiaries who received benefits under the program  
32 established by this subsection (f) are not entitled, at the  
33 termination of the program, to any refund of the identification  
34 card fee paid under this subsection.

35 (g) Effective January 1, 2006, there is hereby established  
36 a program of pharmaceutical assistance to the aged and

1 disabled, entitled the Illinois Seniors and Disabled Drug  
2 Coverage Program, which shall be administered by the Department  
3 of Healthcare and Family Services and the Department on Aging  
4 in accordance with this subsection, to consist of coverage of  
5 specified prescription drugs on behalf of beneficiaries of the  
6 program as set forth in this subsection. The program under this  
7 subsection replaces and supersedes the program established  
8 under subsection (f), which shall end at midnight on December  
9 31, 2005.

10 To become a beneficiary under the program established under  
11 this subsection, a person must:

12 (1) be (i) 65 years of age or older or (ii) disabled;  
13 and

14 (2) be domiciled in this State; and

15 (3) enroll with a qualified Medicare Part D  
16 Prescription Drug Plan if eligible and apply for all  
17 available subsidies under Medicare Part D; and

18 (4) have a maximum household income of (i) less than  
19 \$21,218 for a household containing one person, (ii) less  
20 than \$28,480 for a household containing 2 persons, or (iii)  
21 less than \$35,740 for a household containing 3 or more  
22 persons. If any income eligibility limit set forth in items  
23 (i) through (iii) is less than 200% of the Federal Poverty  
24 Level for any year, the income eligibility limit for that  
25 year for households of that size shall be income equal to  
26 or less than 200% of the Federal Poverty Level.

27 All individuals enrolled as of December 31, 2005, in the  
28 pharmaceutical assistance program operated pursuant to  
29 subsection (f) of this Section and all individuals enrolled as  
30 of December 31, 2005, in the SeniorCare Medicaid waiver program  
31 operated pursuant to Section 5-5.12a of the Illinois Public Aid  
32 Code shall be automatically enrolled in the program established  
33 by this subsection for the first year of operation without the  
34 need for further application, except that they must apply for  
35 Medicare Part D and the Low Income Subsidy under Medicare Part  
36 D. A person enrolled in the pharmaceutical assistance program

1 operated pursuant to subsection (f) of this Section as of  
2 December 31, 2005, shall not lose eligibility in future years  
3 due only to the fact that they have not reached the age of 65.

4 To the extent permitted by federal law, the Department may  
5 act as an authorized representative of a beneficiary in order  
6 to enroll the beneficiary in a Medicare Part D Prescription  
7 Drug Plan if the beneficiary has failed to choose a plan and,  
8 where possible, to enroll beneficiaries in the low-income  
9 subsidy program under Medicare Part D or assist them in  
10 enrolling in that program.

11 Beneficiaries under the program established under this  
12 subsection shall be divided into the following 4 eligibility  
13 groups:

14 (A) Eligibility Group 1 shall consist of beneficiaries  
15 who are not eligible for Medicare Part D coverage and who  
16 are:

17 (i) disabled and under age 65; or

18 (ii) age 65 or older, with incomes over 200% of the  
19 Federal Poverty Level; or

20 (iii) age 65 or older, with incomes at or below  
21 200% of the Federal Poverty Level and not eligible for  
22 federally funded means-tested benefits due to  
23 immigration status.

24 (B) Eligibility Group 2 shall consist of beneficiaries  
25 otherwise described in Eligibility Group 1 but who are  
26 eligible for Medicare Part D coverage.

27 (C) Eligibility Group 3 shall consist of beneficiaries  
28 age 65 or older, with incomes at or below 200% of the  
29 Federal Poverty Level, who are not barred from receiving  
30 federally funded means-tested benefits due to immigration  
31 status and are eligible for Medicare Part D coverage.

32 (D) Eligibility Group 4 shall consist of beneficiaries  
33 age 65 or older, with incomes at or below 200% of the  
34 Federal Poverty Level, who are not barred from receiving  
35 federally funded means-tested benefits due to immigration  
36 status and are not eligible for Medicare Part D coverage.

1           If the State applies and receives federal approval for a  
2 waiver under Title XIX of the Social Security Act, persons in  
3 Eligibility Group 4 shall continue to receive benefits through  
4 the approved waiver, and Eligibility Group 4 may be expanded to  
5 include disabled persons under age 65 with incomes under 200%  
6 of the Federal Poverty Level who are not eligible for Medicare  
7 and who are not barred from receiving federally funded  
8 means-tested benefits due to immigration status.

9           The program established under this subsection shall cover  
10 the cost of covered prescription drugs in excess of the  
11 beneficiary cost-sharing amounts set forth in this paragraph  
12 that are not covered by Medicare. In 2006, beneficiaries shall  
13 pay a co-payment of \$2 for each prescription of a generic drug  
14 and \$5 for each prescription of a brand-name drug. In future  
15 years, beneficiaries shall pay co-payments equal to the  
16 co-payments required under Medicare Part D for "other  
17 low-income subsidy eligible individuals" pursuant to 42 CFR  
18 423.782(b). Once the program established under this subsection  
19 and Medicare combined have paid \$1,750 in a year for covered  
20 prescription drugs, the beneficiary shall pay 20% of the cost  
21 of each prescription in addition to the co-payments set forth  
22 in this paragraph.

23           For beneficiaries eligible for Medicare Part D coverage,  
24 the program established under this subsection shall pay 100% of  
25 the premiums charged by a qualified Medicare Part D  
26 Prescription Drug Plan for Medicare Part D basic prescription  
27 drug coverage, not including any late enrollment penalties.  
28 Qualified Medicare Part D Prescription Drug Plans may be  
29 limited by the Department of Healthcare and Family Services to  
30 those plans that sign a coordination agreement with the  
31 Department.

32           Notwithstanding Section 3.15, for purposes of the program  
33 established under this subsection, the term "covered  
34 prescription drug" has the following meanings:

35           For Eligibility Group 1, "covered prescription drug"  
36 means: (1) any cardiovascular agent or drug; (2) any

1 insulin or other prescription drug used in the treatment of  
2 diabetes, including syringe and needles used to administer  
3 the insulin; (3) any prescription drug used in the  
4 treatment of arthritis; (4) any prescription drug used in  
5 the treatment of cancer; (5) any prescription drug used in  
6 the treatment of Alzheimer's disease; (6) any prescription  
7 drug used in the treatment of Parkinson's disease; (7) any  
8 prescription drug used in the treatment of glaucoma; (8)  
9 any prescription drug used in the treatment of lung disease  
10 and smoking-related illnesses; (9) any prescription drug  
11 used in the treatment of osteoporosis; and (10) any  
12 prescription drug used in the treatment of multiple  
13 sclerosis. The Department may add additional therapeutic  
14 classes by rule. The Department may adopt a preferred drug  
15 list within any of the classes of drugs described in items  
16 (1) through (10) of this paragraph. The specific drugs or  
17 therapeutic classes of covered prescription drugs shall be  
18 indicated by rule.

19 For Eligibility Group 2, "covered prescription drug"  
20 means those drugs covered for Eligibility Group 1 that are  
21 also covered by the Medicare Part D Prescription Drug Plan  
22 in which the beneficiary is enrolled.

23 For Eligibility Group 3, "covered prescription drug"  
24 means those drugs covered by the Medicare Part D  
25 Prescription Drug Plan in which the beneficiary is  
26 enrolled.

27 For Eligibility Group 4, "covered prescription drug"  
28 means those drugs covered by the Medical Assistance Program  
29 under Article V of the Illinois Public Aid Code.

30 An individual in Eligibility Group 3 or 4 may opt to  
31 receive a \$25 monthly payment in lieu of the direct coverage  
32 described in this subsection.

33 Any person otherwise eligible for pharmaceutical  
34 assistance under this subsection whose covered drugs are  
35 covered by any public program is ineligible for assistance  
36 under this subsection to the extent that the cost of those

1 drugs is covered by the other program.

2 The Department of Healthcare and Family Services shall  
3 establish by rule the methods by which it will provide for the  
4 coverage called for in this subsection. Those methods may  
5 include direct reimbursement to pharmacies or the payment of a  
6 capitated amount to Medicare Part D Prescription Drug Plans.

7 For a pharmacy to be reimbursed under the program  
8 established under this subsection, it must comply with rules  
9 adopted by the Department of Healthcare and Family Services  
10 regarding coordination of benefits with Medicare Part D  
11 Prescription Drug Plans. A pharmacy may not charge a  
12 Medicare-enrolled beneficiary of the program established under  
13 this subsection more for a covered prescription drug than the  
14 appropriate Medicare cost-sharing less any payment from or on  
15 behalf of the Department of Healthcare and Family Services.

16 The Department of Healthcare and Family Services or the  
17 Department on Aging, as appropriate, may adopt rules regarding  
18 applications, counting of income, proof of Medicare status,  
19 mandatory generic policies, and pharmacy reimbursement rates  
20 and any other rules necessary for the cost-efficient operation  
21 of the program established under this subsection.

22 (h) There is established a program of hearing aid  
23 assistance to the aged and disabled that shall be administered  
24 by the Department in accordance with this Act, to consist of  
25 payments to eligible claimants to offset the costs of hearing  
26 aids.

27 To offset the cost of the hearing aids, a person entitled  
28 to claim a grant under subsection (a) of this Section is  
29 entitled to receive a payment of up to \$100 each calendar year  
30 in which he or she purchases a hearing aid for his or her  
31 personal use.

32 For purposes of this subsection (g), "hearing aid" means an  
33 ear-level or body-worn electroacoustic instrument that is used  
34 for the purpose of amplifying sound and the basic components of  
35 which are a microphone, amplifier, and receiver. "Hearing aid"  
36 also includes prosthetic devices that produce perception of

1 sound by replacing the function of the middle ear, cochlea, or  
2 auditory nerve, such as auditory osseointegrated devices and  
3 auditory brainstem devices.

4 (i) There is established a program of dental services  
5 assistance to the aged and disabled that shall be administered  
6 by the Department in accordance with this Act, to consist of  
7 payments to eligible claimants to offset the costs of dental  
8 services.

9 To offset the cost of the dental services, a person  
10 entitled to claim a grant under subsection (a) of this Section  
11 is entitled to receive a payment of up to \$500 each calendar  
12 year in which he or she purchases dental services for his or  
13 her personal use.

14 For the purposes of this subsection (i), "dental services"  
15 means dental care, dental surgery, dental treatment, any other  
16 dental procedure involving the teeth or periodontium or any  
17 dental appliances, including crowns, bridges, implants, or  
18 partial or complete dentures.

19 (Source: P.A. 93-130, eff. 7-10-03; 94-86, eff. 1-1-06; revised  
20 12-15-05.)